



DEBRA K. DAVENPORT, CPA  
AUDITOR GENERAL

STATE OF ARIZONA  
OFFICE OF THE  
AUDITOR GENERAL

WILLIAM THOMSON  
DEPUTY AUDITOR GENERAL

June 16, 2008

Governing Board  
Oracle Elementary School District No. 2  
HCR Box 2743  
Oracle, AZ 85623

Members of the Board:

In our October 9, 2007, compliance review report, we notified you that the District had not complied with the *Uniform System of Financial Records* (USFR) for the year ended June 30, 2006.

We have since reviewed the District's audit reports and USFR Compliance Questionnaire for the year ended June 30, 2007, to determine whether the District was in compliance with the USFR as of that date. Based solely on our review of these documents, the District has complied with the USFR.

However, we noted that the District still had numerous internal control deficiencies cited by its auditors in the Schedule of Findings and Questioned Costs, management letter, and the USFR Compliance Questionnaire. These deficiencies indicate that the District's internal controls are still especially weak in the areas of cash receipts, student activities, and student attendance.

Although the cited deficiencies do not cause substantial noncompliance, the District's audit reports and USFR Compliance Questionnaire for the year ended June 30, 2008, when submitted, must indicate that the District made progress toward correcting these deficiencies and that no new significant deficiencies occurred that year, or the District may again be found in noncompliance with the USFR.

If you have questions concerning the deficiencies or how to correct them, or would like a written summary of deficiencies with recommendations for correction, please call Magdalene Haggerty, Accounting Services Director, or Gregg Rickert, Accounting Services Manager, at (602) 553-0333.

Sincerely,

Debra K. Davenport  
Auditor General

DKD/MH/gr

cc: Mr. John Clark, Superintendent  
Ms. Dawn Ruiz, Business Manager  
Oracle Elementary School District No. 2  
The Honorable Orlenda Roberts, Pinal County School Superintendent  
Ms. Vicki G. Salazar, Associate Superintendent of Financial Services  
Arizona Department of Education